

PUBLIC EMPLOYEES RETIREMENT SYSTEM

State Investment Board Balance Sheet As of 7/31/2008

	As of <u>7-31-08</u>	As of <u>6-30-08</u>
ASSETS:		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 675,221,865	\$ 682,056,359
INTERNATIONAL EQUITIES	240,756,273	252,078,034
DOMESTIC FIXED INCOME	549,174,585	554,026,769
INTERNATIONAL FIXED INCOME	90,690,247	90,076,982
REAL ESTATE	114,229,440	121,924,794
ALTERNATIVE INVESTMENTS	98,487,137	99,234,751
INVESTED CASH (NOTE 1)	<u>20,846,286</u>	<u>9,799,104</u>
TOTAL INVESTMENTS	1,789,405,833	1,809,196,793
RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	3,287,534	3,833,437
MISCELLANEOUS RECEIVABLE	<u>3,350</u>	<u>2,765</u>
TOTAL RECEIVABLES	3,290,884	3,836,202
OTHER ASSETS		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	29,156,196	29,156,196
OPERATING CASH	<u>16,388</u>	<u>31,831</u>
TOTAL ASSETS	<u><u>\$ 1,821,869,301</u></u>	<u><u>\$ 1,842,221,022</u></u>
LIABILITIES:		
SECURITIES LENDING COLLATERAL (NOTE 2)	29,156,196	29,156,196
ACCOUNTS PAYABLE	9,065	12,210
ACCRUED EXPENSES	21,526	19,647
INVESTMENT EXPENSE PAYABLE	<u>2,276,912</u>	<u>2,276,912</u>
TOTAL LIABILITIES	31,463,699	31,464,965
NET ASSETS AVAILABLE:		
NET ASSETS AVAILABLE BEGIN OF YEAR	1,810,756,057	1,934,234,168
CASH IN DURING YEAR (NOTE 3)	0	3,208,999
CASH OUT DURING YEAR (NOTE 4)	1,500,000	26,165,000
NET INCREASE (DECREASE)	<u>(18,850,455)</u>	<u>(100,522,110)</u>
NET ASSETS AVAILABLE END OF PERIOD	<u>1,790,405,602</u>	<u>1,810,756,057</u>
TOTAL LIABILITIES & NET ASSETS AVAILABLE	<u><u>\$ 1,821,869,301</u></u>	<u><u>\$ 1,842,221,022</u></u>

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State Investment Board Profit and Loss Statement For the Month Ended 7/31/2008

	Month Ended <u>7-31-08</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 2,714,387	\$ 2,714,387
SECURITIES LENDING INCOME	61,636	61,636
	<u>2,776,023</u>	<u>2,776,023</u>
 GAIN ON SALE OF INVESTMENTS	 15,709,460	 15,709,460
LOSS ON SALE OF INVESTMENTS	<u>13,972,169</u>	<u>13,972,169</u>
 NET GAINS (LOSSES) INVESTMENTS	 1,737,291	 1,737,291
 INVESTMENT EXPENSES	 1,015,766	 1,015,766
SECURITIES LENDING EXPENSES	43,266	43,266
 NET INVESTMENT INCOME	 3,454,282	 3,454,282
 NET APPREC (DEPREC) MARKET VALUE	 (22,288,513)	 (22,288,513)
MISCELLANEOUS INCOME/(EXPENSE)	<u>(2,028)</u>	<u>(2,028)</u>
 TOTAL INVESTMENT INCOME	 <u>(18,836,259)</u>	 <u>(18,836,259)</u>
 DEDUCTIONS:		
ADMINISTRATIVE EXPENSES	14,196	14,196
 NET INCREASE (DECREASE)	 <u>\$ (18,850,455)</u>	 <u>\$ (18,850,455)</u>

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Notes To Financial Statements
July 31, 2008

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1 **INVESTED CASH**

Cash invested in a money market demand account at the Bank of North Dakota.

NOTE 2 **SECURITIES LENDING COLLATERAL**

Securities are loaned versus collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned versus collateral valued at 102% of the market value of the securities plus any interest. Non-U.S. securities are loaned versus collateral valued at 105% of the market value of the securities plus any accrued interest. Non-cash collateral cannot be pledged or sold unless the borrower defaults. Cash open collateral is invested in a short term investment pool.

NOTE 3 **CASH IN DURING YEAR**

Cash transferred into investment accounts at The Northern Trust during the current fiscal year.

NOTE 4 **CASH OUT DURING YEAR**

Cash transferred out of investment accounts at The Northern Trust during the current fiscal year.